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**FISCAL IMPACT STATEMENT**

**LS 6793**

**BILL NUMBER:** SB 503

**NOTE PREPARED:** May 5, 2011

**BILL AMENDED:** Apr 29, 2011

**SUBJECT:** Sale of Ephedrine or Pseudoephedrine.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:** Rep. Lawson

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill defines "retailer" and provides that the duties relating to the electronic tracking of ephedrine and pseudoephedrine (PSE) apply only to retailers.

The bill specifies that the retailer shall submit information if the NPLeX is available to retailers without a charge for accessing the system. The bill requires a retailer after January 1, 2012, to submit information relating to the purchase of nonprescription PSE to the National Precursor Log Exchange (NPLeX) administered by the National Association of Drug Diversion Investigators (NADDI) before completing a sale, and prohibits a retailer from completing a sale if NPLeX generates a "stop sale" notice.

The bill requires PSE-containing substances to be kept behind the counter and specifies that the PSE weight limits apply to the base amount of PSE in the drug. The bill also reduces the amount of PSE that may be contained in a convenience pack from 120 mg to 60 mg and requires a retailer to keep convenience packs behind the counter. The bill also reduces the maximum amount of PSE that may be purchased by an individual in a 30-day period from 9 grams to 7.2 grams.

The bill provides that a retailer who uses the electronic sales tracking system is liable for any negligent, reckless, deliberate, or wanton act or omission committed in carrying out the duties required by this section, and it provides that a retailer may be liable to a third party for a violation of the duties required in using the electronic sales tracking system.

The bill specifies that: (1) a law enforcement official may access Indiana transaction information contained in the NPLeX; (2) information contained in the NPLeX may be shared only with law enforcement officials; (3) NADDI may not modify information shared with law enforcement officials; and (4) NADDI shall forward

Indiana data contained in the NPLeX at least one time per week to the Indiana State Police.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** Current law requires retailers selling PSE to complete a paper or electronic log. The Indiana State Police (ISP) is currently operating the Indiana Meth Information System (IMIS) on a voluntary basis as an alternative to the paper sales logging requirement. This bill requires retailers to submit the required sales information to the NPLeX system if the system is available to the retailers without charge. The bill requires that NPLeX data is accessible to Indiana law enforcement and that at least once a week, Indiana data contained on the NPLeX shall be forwarded to the ISP.

**Background Information:** Current law requires retailers selling drugs with ephedrine or pseudoephedrine to complete a paper or electronic log. ISP is currently operating the IMIS. ISP was given software developed under a federal grant by the state of Tennessee for the electronic log. No dedicated funds have been specifically allotted or expended on the electronic log to date. ISP has been operating the system within the level of resources available to the agency.

Currently, use of the IMIS and NPLeX for tracking sales is voluntary. The top five retailers are electronically submitting weekly data to the Indiana State Police, and other retailers are voluntarily entering sales logging data into one of the systems. Both electronic and paper records are maintained by the ISP for two years unless a suspicious pattern of consumption is detected in the electronic records, at which point a record may be maintained for five years.

The bill specifies that submitting sales information to the NPLeX is required by retailers beginning January 1, 2012, if access to the system is free of charge to the retailer and that the retailer may not complete a sale if the NPLeX issues a stop sale alert for sales that would result in one individual purchasing in excess of 7.2 grams in a 30-day period. Presumably, if the NPLeX system is not provided free to the retailers, the data entry requirement would not apply. (The IMIS system does not include the capacity to stop sales; it does include secure free access for retailers; and the ISP owns the data.)

The NPLeX administered by the National Association of Drug Diversion Investigators (NADDI) is now being offered at no cost to states that have passed legislation to adopt real-time tracking of ephedrine and pseudoephedrine. The NPLeX is a multi-state electronic tracking system that enforces purchase limitations on over-the-counter products containing pseudoephedrine in real time at the point of sale. Kentucky, Illinois, and Louisiana will be the first states to adopt NPLeX as their electronic tracking program.

Handgun license fees in excess of \$1.1 M are available to the ISP to operate and maintain the central repository for criminal history or to establish, operate, and maintain an electronic log of drug sales if the funds are allotted by the State Budget Agency. In FY 2010, the total handgun license fee revenues were \$5.3 M, and the portion available for the two allowed purposes was approximately \$4.2 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** ISP.

**Local Agencies Affected:**

**Information Sources:** Indiana State Police, NADDI at:

[http://associationdatabase.com/aws/NADDI/asset\\_manager/get\\_file/12195/naddi\\_press\\_release\\_nov\\_2009.pdf](http://associationdatabase.com/aws/NADDI/asset_manager/get_file/12195/naddi_press_release_nov_2009.pdf)

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